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DD/S 68-1682
FILE OFM 2-1

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MEMORANDUM FOR: Executive Director-Comptroller

THROUGH : Deputy Director for Support

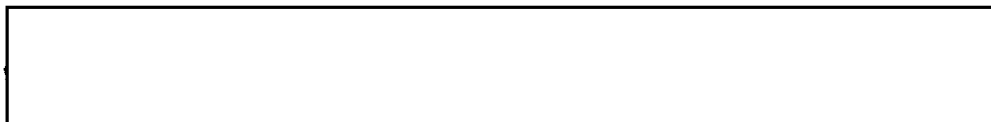
SUBJECT : Feasibility of Investing Funds of the CIA Retirement Program in a U. S. Treasury "Special Issue" Rather Than Investing in U. S. Government Securities in the Open Market

REFERENCE : Recommendation No. 13d of the Inspector General's Report on the Office of Finance

1. The Inspector General's Report on the Office of Finance requested that the Director of Finance "investigate the feasibility of making secure arrangements with the Department of Treasury for a Special Issue for the CIA Fund and report his findings and recommendations to the Executive Director-Comptroller." There is detailed below the action taken to investigate the recommendation.

2. The undersigned and senior members of this Office met with Mr. Boyd Evans, Assistant to the Fiscal Assistant Secretary, Treasury Department, to discuss the relative merits of having Treasury Department establish a Special Issue in the name of the Agency for investment of our funds. This type of special security would be at par and would carry an interest rate based on the average yield for all Treasury securities having maturities of over four years. Technically, this type of issue could be arranged; however, the following points should be considered.

a. The net yield obtained from a Special Issue will be less than that obtainable if the Agency were to invest in open market issues and consistently select the issues for purchases which provide the higher net yields.



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SUBJECT : Feasibility of Investing Funds of the CIA Retirement Program in a U. S. Treasury "Special Issue" Rather Than Investing in U. S. Government Securities in the Open Market

REFERENCE : Recommendation No. 13d of the Inspector General's Report on the Administration of the CIA Retirement Fund *Office of Finance*

1. The Inspector General's Report on the Administration of the CIA Retirement Fund requested that the Director of Finance "investigate the feasibility of making secure arrangements with the Department of Treasury for a Special Issue for the CIA Fund and report his findings and recommendations to the Executive Director-Comptroller." There is detailed below the action taken to investigate the recommendation.

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